

ZOOP ALPHA ADVISORS · INVESTOR EDUCATION

The Income Engine

Full income when markets are calm.
T-bills when the storm spreads.

“We start with the worst-case scenario we’re trying to avoid — and then we avoid it.”

— Ron Piccinini, Ph.D., risk scientist



Five ideas, zero jargon

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|---|----------------------------------|--------------------------------------|
| 1 | The income problem | Why “safe” money stalls out |
| 2 | What’s under the hood | Eight ingredients, two recipes |
| 3 | The traffic light | Green, orange and red |
| 4 | What a bad day looks like | Real stress tests, honest trade-offs |
| 5 | Where it fits | Your next-few-years money |

More income always comes with a price tag

Treasury bills are the “no-risk” baseline.
Anything that pays more is renting out some kind of risk to earn it.



THINK OF
IT LIKE

Renting out a spare room.

The rent is great — as long as you pick the tenant carefully and keep insurance on the house.

T-bill: 13-week investment rate, U.S. Treasury auction of Oct. 19, 2026. Income Engine: indicated yields at Green weights as of Oct. 13, 2026, gross of fees. Yields change daily and are not guaranteed.

Two ways income investments get hurt

A PRICE PANIC

Everyone runs for the exit

Prices drop fast — even while the bills are still getting paid.
That's a paper loss.

-21% U.S. high-yield bonds, year to date
at the March 23, 2020 low

A REAL LOSS

A borrower stops paying

When a company can't pay its debts, part of that money is
gone for good.
That's the loss we size and hedge.

+6% The same market for all of 2020,
after the panic passed

THINK OF IT LIKE

A scary week in the news can knock down what your house would sell for.
The house is still standing, and the rent still comes in.

SEI, "High Yield's Wild Year" (Feb. 2021): U.S. high-yield -20.57% year to date at the Mar. 23, 2020 low; +6.07% for 2020. Past results don't guarantee future results.

One engine, two settings

Full income when markets are calm.
Treasury bills when the stress is broad.

1 INGREDIENTS

The same eight funds

Every one trades on the stock exchange, like a stock.
Each has a job.



2 THE MIX

A traffic light decides

Each fund's weight follows the market's storm level, measured by TIX.



3 TWO SETTINGS

Conservative or Aggressive

Same engine.
Different amounts of risk and income.

THINK OF IT LIKE

A car with two drive modes — Comfort and Sport — that eases off the gas by itself when the road ices over.

The eight ingredients

STEADY AND PROTECTIVE

T-BILL EQUIVALENT BOXX

The parking garage.
Earns about what Treasury bills pay.

TAIL-RISK HEDGE CAOS

Fire insurance.
Built to gain value when markets crash.

HEDGED HIGH YIELD CDX

Corporate bonds wearing a seatbelt against credit trouble.

TACTICAL FIXED INCOME DYFI

A bond manager who changes lanes as conditions change.

INCOME BOOSTERS

CCC-RATED CREDIT XCCC

High-octane fuel.
The highest yields, and the highest risk of a borrower not paying.

BARRIER OPTION INCOME SBAR

Pays well unless the worst of three stock indexes falls more than 30%.

VOLATILITY PREMIUM SVOL

Being the insurance company: collecting premiums from nervous investors.

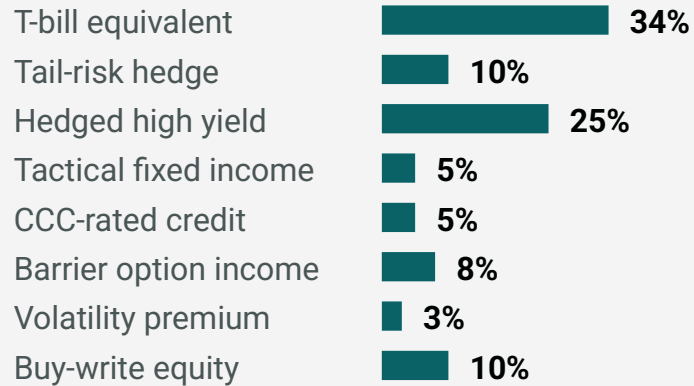
BUY-WRITE EQUITY BUYW

Renting out your stocks: rent now, in exchange for some of the upside.

Fund roles: Altium Investment Strategies LLC, "Tactical Income Models" investment memo (Oct. 2026). Shown for education, not as recommendations. ETFs can lose value; yields change.

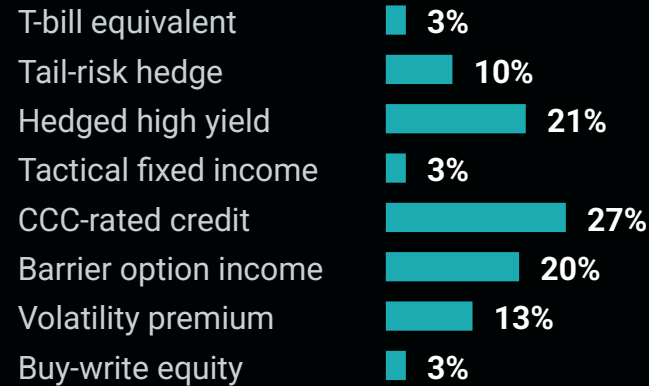
Same pantry, two recipes

CONSERVATIVE · CALM-MARKET MIX



6.15% indicated yield

AGGRESSIVE · CALM-MARKET MIX



9.95% indicated yield

THINK OF IT LIKE

Mild salsa or hot salsa

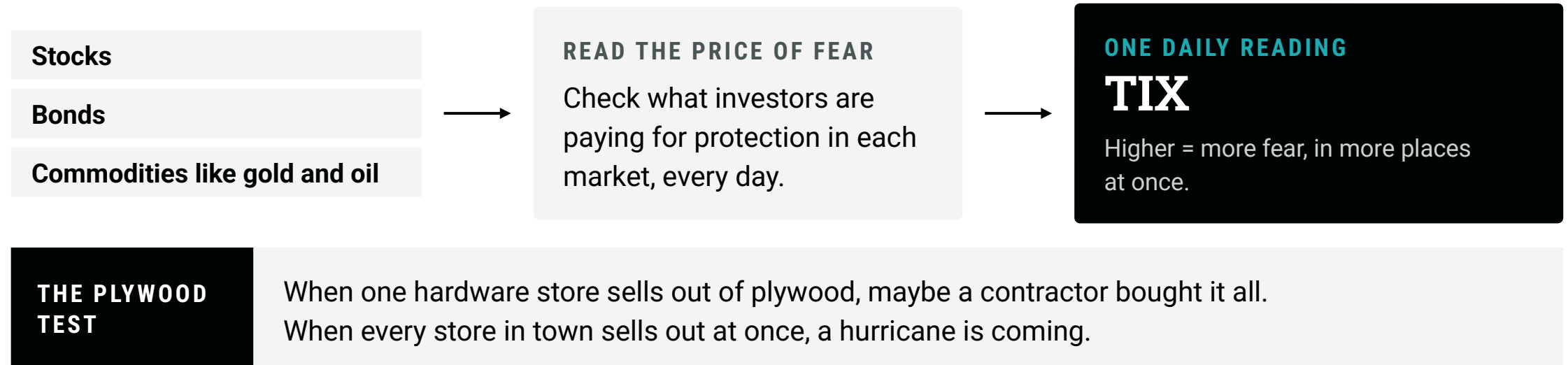
Same kitchen.
The hot one has more kick
— and more burn.

Aggressive leans on the
income boosters.
Conservative leans on the
parking garage.

Green-regime weights and indicated yields as of Oct. 13, 2026, gross of fees. Altium Investment Strategies LLC, "Tactical Income Models" investment memo (Oct. 2026).

The fear gauge: TIX

When investors get nervous, they pay more to protect their money — like insurance premiums going up before a storm. TIX tracks that “insurance price” across several markets at once.



TIX: Straxen’s proprietary cross-asset implied-volatility index.

Telling burnt toast from a house fire

In August 2024, a sudden sell-off — likely a big investor in Japan unwinding trades — sent stock-market fear soaring. The other markets stayed calm.

STOCKS

Fear spiked

BONDS

Calm

GOLD

Calm

OIL

Calm

WHAT TIX
IS FOR

Telling a one-market scare from a storm that spreads.
The engine moves toward T-bills when the stress is broad — not on every scary headline.

Example: Straxen, LLC TIX research (implied-volatility data, 2023–2024).

Reactive, not predictive

TIX doesn't call market tops.
The first drop usually happens before it moves.

WHAT IT DOES DO

Tells a scare that stays contained from a storm that spreads.
Gives a disciplined signal for when to add risk back.

TIX TODAY

56

● Green

As of Oct. 13, 2026.
Orange starts above 83.

WHY IT MATTERS

Fewer false alarms.
And a clear rule for getting back in, instead of waiting until it "feels safe."

Reading as of Oct. 13, 2026, per the Altium "Tactical Income Models" memo (Oct. 2026).

Three levels: Green, Orange, Red

Green	Orange	Red
TRIGGER TIX below 83 WHAT IT MEANS Normal ups and downs across markets. WHAT THE MIX DOES Full income mix.	TRIGGER TIX above 83 Back to Green only below 76 WHAT IT MEANS Stress showing up in several markets at once. WHAT THE MIX DOES Risk funds cut roughly in half. The difference goes to T-bills.	TRIGGER TIX above 93 Back to Orange only below 90 WHAT IT MEANS Cross-market stress like 2008 and 2020. WHAT THE MIX DOES Defensive: about two-thirds in T-bills.

SINCE 2006

Green 86% of days

Orange 9% · Red 5% · ~3 changes a year

Regime rules and history (2006–2026): Altium “Tactical Income Models” memo (Oct. 2026). Changes are acted on the trading day after the signal.

Two rules that keep it from flip-flopping

1 THE BOUNCE-BACK RULE

It takes a higher reading to step down a level than to step back up.

Orange starts above 83, but the light doesn't go back to Green until TIX falls below 76.

THINK OF IT LIKE

A thermostat that turns the heat on at 68° but waits until 72° to shut off — so it isn't clicking on and off all day.

2 THE SHORT-RATE RULE

When the 3-month T-bill yield falls below its one-year average, the mix holds Orange weights or safer.

Falling short-term rates often mean the economy is softening.

TODAY

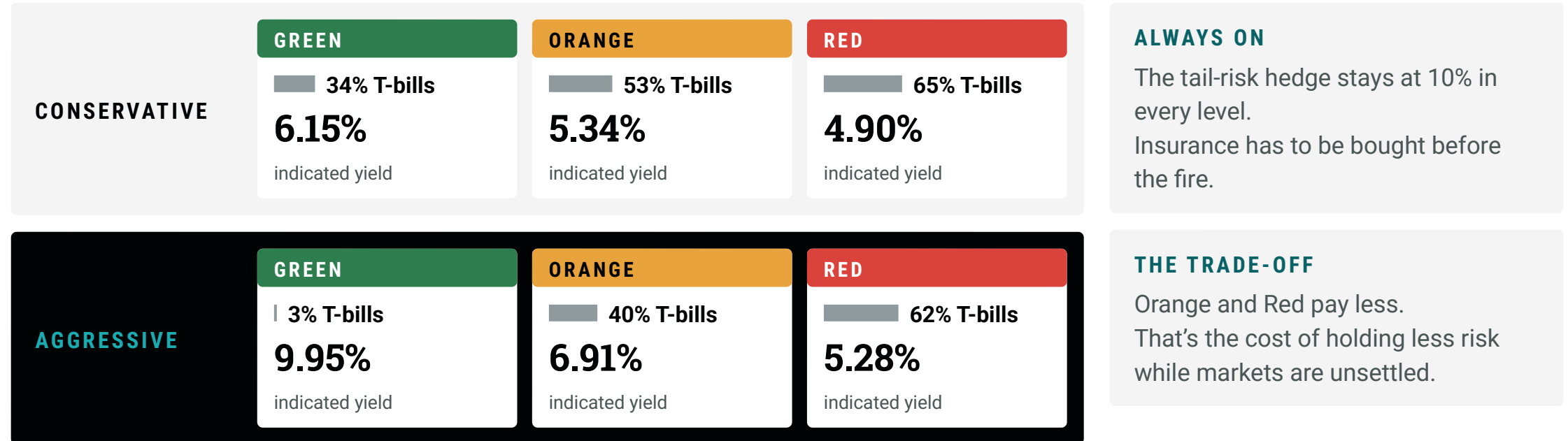
Off. The 3-month bill is above its one-year average.

RULES, NOT GUT FEEL

Changes happen the trading day after a signal.
No one has to guess, and no one has to be brave.

Rule thresholds and status as of Oct. 13, 2026: Altium "Tactical Income Models" memo (Oct. 2026).

How the mix shifts when the light changes



Weights and indicated yields by regime, gross of fees: Altium "Tactical Income Models" memo (Oct. 2026). Full weights in the appendix. No fund drops below 3%.

PART 4 · WHAT A BAD DAY LOOKS LIKE

Bad-day risk, measured against the S&P 500

Tail risk = the average loss on the worst 1% of days.
The S&P 500 is the yardstick, set at 1.00.



Yearly ups and downs (volatility):
S&P 500 15.5% · Aggressive 7.9% · Conservative 4.4%

RULE OF THUMB

If the S&P 500 had an 8% down day, a similar day might look like:

-4.7% **-2.6%**

Aggressive Conservative

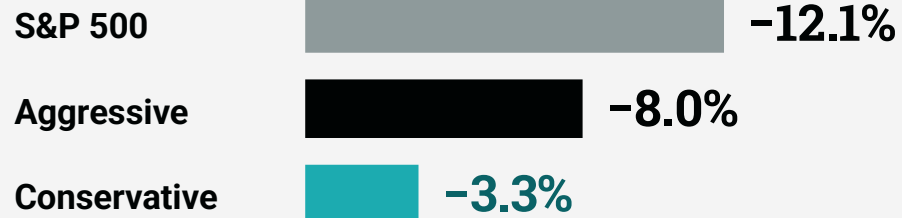
An estimate, not a promise.

Hypothetical: today's Green weights applied to the funds' actual daily returns, Jan. 2024–Oct. 2026, gross of fees. Tail risk = 99% expected tail loss vs. SPY. Rule of thumb = 8% × ratio. Altium memo (Oct. 2026).

Two real storms from 2025

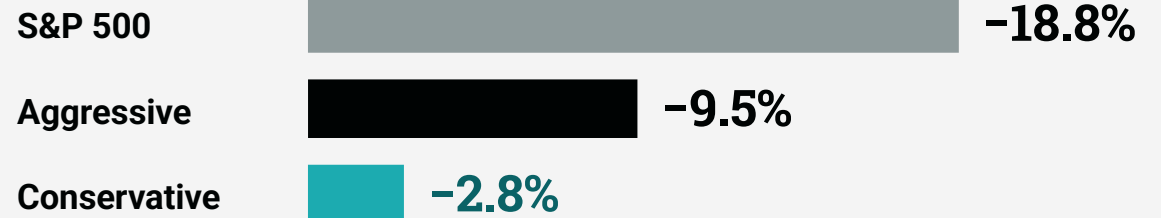
TARIFF SHOCK WEEK

Apr. 2–8, 2025



PEAK TO LOW

Feb. 19–Apr. 8, 2025



THE FINE PRINT

This window had no credit crisis, so treat these as a floor, not a ceiling.
If the barrier fund's 30% line were crossed, add about 2.4 points of loss (Conservative) or 6.0 (Aggressive).

Hypothetical: today's Green weights applied to the funds' actual daily returns, gross of fees; not actual client results. Altium "Tactical Income Models" memo (Oct. 2026).

PART 4 · WHAT A BAD DAY LOOKS LIKE

Keeping the riskiest pieces small

Some ingredients can lose a lot in a real credit crunch.
Keeping them small limits how much they can hurt.

CONSERVATIVE · CALM-MARKET MIX

Riskiest pieces: CCC credit 5% + barrier income 8%

13% of the portfolio

If both fell 30%, the hit to the whole portfolio:
about -3.9 points

AGGRESSIVE · CALM-MARKET MIX

Riskiest pieces: CCC credit 27% + barrier income 20%

47% of the portfolio

If both fell 30%, the hit to the whole portfolio:
about -14.1 points

THINK OF IT LIKE

Hot sauce.
A dash adds flavor; the whole bottle ruins dinner.

Illustration only: Green weights × an assumed 30% loss on those two funds, before any regime shift or hedge gains. Weights from the Altium memo (Oct. 2026).

Worst case first

THE ORDER OF OPERATIONS

“Start with the worst-case scenario we’re trying to avoid. Avoid it. Then maximize.”

— Ron Piccinini, Ph.D.

THE 2-TO-1 RULE

2 : 1

The models count a loss twice as heavily as a gain of the same size. Protecting money comes first.

THE BATTING AVERAGE

Base hits and doubles, all day long

No swinging for home runs. Steady singles are what win the World Series.

WHY IT MATTERS

A smaller loss is a shorter climb back.
And income keeps coming while you climb.

Built to be easy to own

1 LIQUID

Sell any market day

All eight ingredients trade on the stock exchange.
No lockups, no waiting for a bond to mature.

2 RIGHT-SIZED

Works for smaller accounts

No need to buy individual bonds.
Even a modest account can hold the whole mix.

3 HANDS-OFF

Rules do the work

The mix changes by rule, about three times a year on average.
No one has to watch the news for you.

THINK OF
IT LIKE

An index fund's simplicity, with a driver who slows down in bad weather.

Where it fits in a plan

GOOD FIT

Next-few-years money

Money you'll need in one to three years: a planned purchase, a tax bill, next year's insurance premium.

Often the Conservative setting.

GOOD FIT

An income stream

Money meant to pay you while the rest of your plan keeps growing.

Conservative or Aggressive, depending on how much bounce you can live with.

NOT A FIT

Money that can't move

Your emergency fund, or money you can't afford to see drop at all. This isn't a bank account, and it isn't FDIC-insured.

THE QUESTION

Not "Which one pays the most?"
It's "What is this money for, and when will I need it?"

The trade-offs we want you to hear from us

PRICES MOVE

This is an investment, not a savings account.
You can lose money.

THE FIRST HIT STILL LANDS

TIX reacts to stress.
It doesn't see it coming.

INCOME CAN SHRINK

Yields drop in Orange and Red — about 6.15% to 4.90% for Conservative.

SHORT TEST WINDOW

The numbers cover 2024–2026, with no credit crisis.
A real one could hurt more.

BEFORE FEES

Indicated yields and test results are gross of fees and not guaranteed.

NEWER FUNDS

Several ingredients launched in recent years, so their history is short.

BOTTOM LINE

Less drama than the stock market, more income than T-bills — with real risks you should understand before you start.

THE BIG PICTURE

Three things to take home

1

INCOME HAS A PRICE TAG

More income means renting out some risk.
The skill is choosing which risks, and how much.

2

A TRAFFIC LIGHT RUNS THE MIX

Full income in calm markets.
T-bills when the storm spreads.
Rules, not gut feel.

3

WORST CASE FIRST

Small positions in the riskiest pieces, a hedge that's always on, and a 2-to-1 bias toward protection.

WHY WE WORK THIS WAY

We believe protecting what you've built comes before chasing what's next.
People over products: if it doesn't serve your goals, we don't recommend it.

YOUR NEXT STEP

It seems like “safe” money hasn’t been paying what you need it to.

Would it be unreasonable to see what your next-few-years money could be earning?

A short, no-pressure conversation. “No” is a perfectly good answer.

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APPENDIX

Model weights by regime

Fund	Conservative			Aggressive		
Regime	Green	Orange	Red	Green	Orange	Red
BOXX · T-bill equivalent	34%	53%	65%	3%	40%	62%
CAOS · Tail-risk hedge	10%	10%	10%	10%	10%	10%
CDX · Hedged high yield	25%	18%	10%	21%	15%	8%
XCCC · CCC-rated credit	5%	3%	3%	27%	12%	5%
SBAR · Barrier option income	8%	4%	3%	20%	10%	5%
SVOL · Volatility premium	3%	3%	3%	13%	7%	4%
BUYW · Buy-write equity	10%	6%	3%	3%	3%	3%
DYFI · Tactical fixed income	5%	3%	3%	3%	3%	3%
Indicated yield	6.15%	5.34%	4.90%	9.95%	6.91%	5.28%

Weights and indicated yields as of Oct. 13, 2026, gross of fees: Altium Investment Strategies LLC, "Tactical Income Models" investment memo (Oct. 2026). Each fund is cut in proportion to how much its risk grows in a regime; proceeds go to BOXX. Shown for education, not as recommendations.

Disclosures

REGISTRATION

Zoop Alpha Advisors is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

EDUCATIONAL USE

This presentation is for educational purposes only. It is not individualized investment, tax or legal advice, or a recommendation to buy or sell any security or follow any strategy. Funds are named to explain how the models work.

SOURCES

Model weights, regime rules, indicated yields and stress tests: Altium Investment Strategies LLC, “Tactical Income Models” investment memo (Oct. 2026). TIX: Straxen. T-bill rate: U.S. Treasury. High-yield 2020 data: SEI. Third-party data is believed reliable but not guaranteed.

HYPOTHETICAL RESULTS

Risk figures apply current weights to the funds’ actual daily returns (Jan. 2024–Oct. 2026), gross of fees. They were prepared with hindsight, do not reflect actual trading or any client account, cover a period with no credit crisis, and have inherent limitations. Past performance does not guarantee future results.

INDICATED YIELD AND RISK

Indicated yield is a weighted estimate of the funds’ current yields at the stated weights. It is not a guarantee of income and changes daily. High-yield and CCC-rated bonds carry significant credit and default risk. Option-based and volatility strategies can lose value quickly. ETFs are not FDIC-insured. Tactical signals can lag or switch at the wrong time.

OPTIONS DISCLOSURE

Options involve risk and are not suitable for all investors. Before buying or selling an option, a person must receive a copy of *Characteristics and Risks of Standardized Options* (the “ODD”), free from [The Options Clearing Corporation](#).

